

# SENATE BILL REPORT

## SB 5448

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As Reported by Senate Committee On:  
Economic Development, Trade & Innovation, February 12, 2009

**Title:** An act relating to establishing local public works assistance funds.

**Brief Description:** Establishing local public works assistance funds.

**Sponsors:** Senators Shin, Haugen, Kastama, Hobbs, Keiser, Rockefeller, Hatfield, Franklin, Delvin, Regala, Fraser and Marr.

**Brief History:**

**Committee Activity:** Economic Development, Trade & Innovation: 2/02/09, 2/12/09 [DPS, w/oRec].

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

**Majority Report:** That Substitute Senate Bill No. 5448 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kastama, Chair; Shin, Vice Chair; Eide and Kilmer.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Zarelli, Ranking Minority Member; Delvin and McCaslin.

**Staff:** Philip Brady (786-7460)

**Background:** The Public Works Assistance Account, commonly known as the Public Works Trust Fund, was created by the Legislature in 1985 to provide a source of funding to assist local governments with infrastructure projects. The Public Works Board, within the Department of Community, Trade and Economic Development (CTED), is authorized to make low-interest or interest-free loans from the account to finance the repair, replacement, or improvement of the following public works systems: bridges, roads, water and sewage systems, and solid waste and recycling facilities. All local governments except port districts and school districts are eligible to receive loans.

Cities or towns may authorize counties to aid in road construction and maintenance, but only if the city or town makes full payment for the project to the county road fund.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill (Recommended Substitute):** Counties may establish local public works assistance funds (the fund) to fund public works projects located wholly or partially within the county. The fund may be used to make loans to the county and local governments and to administer the funds, but in any year at least 25 percent must be made available to cities and towns, no more than 50 percent may be loaned to the county, and no more than one percent may be used for administrative costs.

Counties may require reasonable and necessary repayment, but such monies must be placed in the fund. Local governments applying for loans must demonstrate utilization of all local revenue, compliance with the Growth Management Act, and consistency with capital facilities plans. Counties must develop a prioritization plan in collaboration with public works directors of local governments, document their findings, and periodically revise the plan. In particular, counties should prioritize needs of local governments suffering the fiscal consequences of natural disaster or emergency public works needs, and should examine the cost of the project, the size of the local government, the funds available, the number of communities served, whether the project is necessary to meet health and safety standards, and the number of new housing units that would likely be created by funding the project.

**EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & INNOVATION COMMITTEE (Recommended Substitute):** County legislative authorities must give priority to projects that would increase capacity necessary to accommodate projected population and employment growth. In the original, they only had to give priority to those addressing public health needs or substantial environmental degradation. They are also now required to consider as a factor the number of additional housing units achieved by funding a project.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** PRO: This bill would lead to better coordination between counties and cities under the Growth Management Act. A new section should be added to prioritize increasing existing housing capacity, and the number of new housing units built should be used as a performance measure.

**Persons Testifying:** PRO: Terri Jeffreys, Realtors.